

Department of Water Resources

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY PROGRAM					
Management & Support Services	2,046,700	1,941,900	2,312,100	2,420,000	2,406,100
Planning and Technical Services	6,754,600	5,019,900	6,773,800	7,346,600	7,226,900
Energy Resources	4,174,900	2,317,900	4,691,900	0	0
Snake River Basin Adjudication	2,548,600	2,556,700	2,159,200	0	0
Water Management	7,902,100	6,088,500	9,493,100	11,416,000	10,129,400
Northern Idaho Adjudication	1,325,000	1,217,800	1,355,500	1,443,100	1,403,200
Total:	24,751,900	19,142,700	26,785,600	22,625,700	21,165,600
BY FUND CATEGORY					
General	13,354,200	13,249,000	15,124,800	15,334,800	13,972,000
Dedicated	7,277,700	3,153,200	7,854,800	4,245,600	4,215,500
Federal	4,120,000	2,740,500	3,806,000	3,045,300	2,978,100
Total:	24,751,900	19,142,700	26,785,600	22,625,700	21,165,600
Percent Change:		(22.7%)	39.9%	(15.5%)	(21.0%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	12,142,100	11,035,500	12,497,400	13,055,400	12,329,100
Operating Expenditures	10,112,200	6,596,300	11,029,100	8,364,200	7,636,600
Capital Outlay	260,800	601,600	301,800	276,100	288,100
Trustee/Benefit	911,800	909,300	911,800	930,000	911,800
Lump Sum	1,325,000	0	2,045,500	0	0
Total:	24,751,900	19,142,700	26,785,600	22,625,700	21,165,600
Full-Time Positions (FTP)	191.00	191.00	189.00	173.00	164.00

Department Description

The Office of the State Engineer was created in 1895 to administer provisions of the Carey Act. Over the years, additional laws expanded the agency's duties, particularly with the increasing value, development, and use of Idaho's limited water resources. As the agency saw its responsibilities grow, it also saw its name change several times. In 1919 the agency became the Department of Reclamation; in 1943 the State Reclamation Engineer; and in 1970, the Department of Water Administration. Meanwhile, through amendment of the state constitution in 1964, the Water Resource Board was created to prepare the state water plan, a plan for optimum development of water resources in the public interest. The current name, the Department of Water Resources, resulted in 1974 from combining the Department of Water Administration with the Idaho Water Resource Board. The primary authority for the Department and its programs rests in Title 42, Idaho Code.

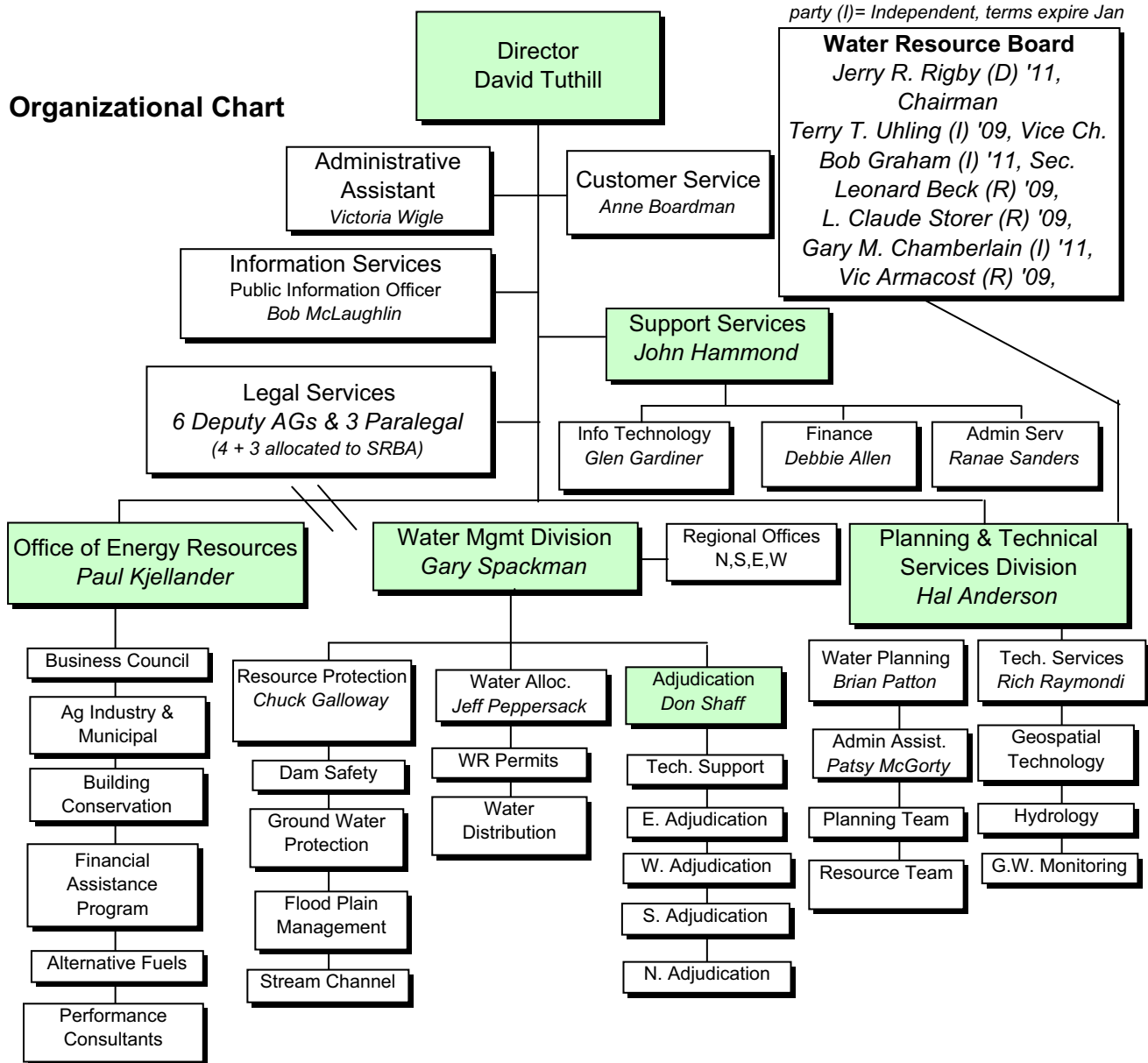
The department is divided into six major programs for budgeting purposes. The Management and Support Services program provides administrative, legal and information system support for the department; the Planning and Technical Services Division provides staff support for the Water Resources Board and provides planning, technical analysis and groundwater monitoring; the Energy Division provides financial assistance and technical assistance on energy conservation and alternative energy development issues; the Snake River Basin Adjudication program is responsible for completing a fair and accurate determination of the nature, extent and priority of Snake River Basin water rights; the Water Management Division provides water resource protection through inspection and regulatory programs, and provides water allocation services through permits and water distribution programs; and the Northern Idaho Adjudication program is responsible for completing a fair and accurate determination of the nature, extent, and priority of the water rights north of the Snake River Basin.

Department of Water Resources

Agency Profile

Analyst: Houston

Organizational Chart



Full-time Equivalent Positions (FTP's)					
Program	FY 2009 Base		FY 2009 Request		Change
	General	All	General	All	
1. Management & Support	13.55	20.00	13.55	20.00	0.00
2. Planning and Technical Services	30.25	36.00	30.25	39.00	3.00
3. Energy Resources	0.55	18.00	0.00	0.00	(18.00)
4. Snake River Basin Adjudication	14.50	14.50	0.00	0.00	(14.50)
5. Water Management	66.03	88.50	80.53	103.00	14.50
6. Northern Idaho Adjudication	11.00	11.00	11.00	11.00	0.00
Total by Fund Source	135.88	188.00	135.33	173.00	(15.00)
Percent of Total by Fund Source	72.3%		78.2%		

Excludes group positions. Also, Attorneys are paid through operating expenditures.

Department of Water Resources

Agency Profile

Analyst: Houston

Sources of Funds	FY 2007 Expenditures	Percent of Total	FY 2008 Appropriation	FY 2009 Request
1. General Fund (0001) The General Fund sources are the individual income tax, corporate income tax, sales tax, and other miscellaneous sources.	\$ 13,249,000	69.2%	\$ 15,124,800	\$ 15,334,800
2. Indirect Cost Recovery Fund (0125) Overhead charge for costs to administer federal programs.	588,700	3.1%	811,100	624,000
3. Economic Recovery Reserve Fund (0150-01) Twenty-nine cents of the 57 cent per pack cigarette tax.	260,600	1.4%	0	0
4. Water Administration Fund (0229-21) Fees collected for well drillers' licenses and permits, water right claim fees, permits to appropriate water, permits to appropriate geothermal resources, reviewing safety of dams, water bank receipts, processing of injection well applications, and penalties.	781,500	4.1%	2,188,600	2,261,400
5. Water Resources Adjudication Fund (0337) Established in 1985 as a result of the Swan Falls agreement concerning the usage of water from the Snake River Basin. Receipts are deposited from filing fees as scheduled in law and are used to pay the costs attributable to adjudication. The Northern Idaho adjudication was added as a fund-detail in 2006.	0	0.0%	0	0
6. Miscellaneous Revenue Fund (0349) Revenues include fees collected from water district 01, fees collected for maintenance of Priest Lake Dam, and miscellaneous revenues from interstate and intrastate agencies and utilities.	846,300	4.4%	1,993,500	1,360,200
7. Biofuel Infrastructure Matching Grant (0403-04) Transfer from the General Fund (H316 of 2007) to provide matching grants to private entities that provide fuel tanks and pumps for alternative fuels.	0	0.0%	690,000	0
8. Petroleum Price Violation Fund (0494) In the early 1970s, the Organization of Petroleum Exporting Countries (OPEC) embargoed crude oil exports to the United States. In response, the federal government regulated oil prices to prevent price gouging by domestic crude oil producers and to ensure fair allocation of oil resources. The federal Department of Energy was responsible for identifying violations, recovering overcharges, and obtaining restitution for wronged parties. Through the 1980s, several overcharge cases against domestic oil producers were settled in court. Petroleum Price Violation funds are part of a nationwide redistribution to the states from the U.S. Department of Energy due to those settlements. Expenditure of the funds is required to benefit energy consumers. The Division of Energy Resources is the responsible for certifying that proposed projects meet these standards for allowable uses of violation funds. The courts also specified that interest earned on these funds must be used for the same purposes.	676,100	3.5%	2,171,600	0
9. Federal Grant Fund (0348) Funds received from grants and agreements with federal agencies including the Federal Emergency Management Agency (FEMA), United States Department of Energy (DOE), and National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service.	2,740,500	14.3%	3,806,000	3,045,300
Total All Appropriated Funds	\$ 19,142,700	100.0%	\$ 26,785,600	\$ 22,625,700

The department also has three continuously appropriated funds: 1) the Revolving Development Fund is used to make loans for projects approved by the Water Board; 2) the Water Management Fund is used to make loans or grants for new water projects or the rehabilitation of existing water projects limited to reclamation, upstream storage, offstream storage, aquifer recharge, reservoir site acquisition and protection, water supply, water quality, recreation, and water resource studies, including feasibility studies for qualifying projects; and 3) the Water Rights Enforcement Fund receives civil penalties collected by the department for illegal diversions and is used to carry out the water enforcement program.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	189.00	15,124,800	26,785,600	189.00	15,124,800	26,785,600
Reappropriation	0.00	0	49,900	0.00	0	49,900
1. Shift between Dedicated Funds	0.00	0	0	0.00	0	0
2. Correct Biofuel Match Effective Date	0.00	0	0	0.00	0	0
FY 2008 Total Appropriation	189.00	15,124,800	26,835,500	189.00	15,124,800	26,835,500
Non-Cognizable Funds and Transfers	(1.00)	0	0	(1.00)	0	0
FY 2008 Estimated Expenditures	188.00	15,124,800	26,835,500	188.00	15,124,800	26,835,500
Removal of One-Time Expenditures	0.00	(846,800)	(1,598,700)	0.00	(846,800)	(1,598,700)
Base Adjustments	0.00	0	(1,000,000)	0.00	0	(1,000,000)
FY 2009 Base	188.00	14,278,000	24,236,800	188.00	14,278,000	24,236,800
Benefit Costs	0.00	318,000	421,400	0.00	304,900	364,500
Inflationary Adjustments	0.00	101,200	241,300	0.00	(15,800)	(15,800)
Replacement Items	0.00	276,100	288,100	0.00	288,100	288,100
Statewide Cost Allocation	0.00	(226,500)	(225,600)	0.00	(226,500)	(226,700)
Change in Employee Compensation	0.00	79,500	114,200	0.00	395,500	520,500
FY 2009 Program Maintenance	188.00	14,826,300	25,076,200	188.00	15,024,200	25,167,400
1. Toward Market Salary	0.00	500,000	658,700	(2.00)	0	0
2. Shift SRBA Positions to Water Mgmt	0.00	0	0	(7.00)	(1,011,900)	(1,011,900)
3. Comprehensive Aquifer Planning	3.00	20,000,000	20,000,000	3.00	20,000,000	20,000,000
4. Regional Office Expansions	0.00	51,700	51,700	0.00	0	0
5. Transfer Energy to Gov's Office	(18.00)	(43,200)	(3,160,900)	(18.00)	(40,300)	(2,989,900)
Transfer to Dedicated Funds	0.00	(20,000,000)	(20,000,000)	0.00	(20,000,000)	(20,000,000)
FY 2009 Total	173.00	15,334,800	22,625,700	164.00	13,972,000	21,165,600
Change from Original Appropriation	(16.00)	210,000	(4,159,900)	(25.00)	(1,152,800)	(5,620,000)
% Change from Original Appropriation		1.4%	(15.5%)		(7.6%)	(21.0%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	189.00	15,124,800	7,854,800	3,806,000	26,785,600

Reappropriation

Reappropriates the remaining amount of \$50,000 from Economic Development package moneys approved to fund a preliminary study of the possibilities, benefits and costs of providing flood control of the Bear River above Bear Lake.

Agency Request	0.00	0	49,900	0	49,900
Governor's Recommendation	0.00	0	49,900	0	49,900

1. Shift between Dedicated Funds

Energy Resources

The Energy Division requests a fund shift due to increases in contract and grant activity. The programs involved are the industrial and residential energy efficiency projects related to recruitment and training of builders, architects, and designers of Energy Star Homes, and activities related to energy efficient lighting of state and local government and school buildings. This results in an internal budget adjustment that shifts spending authority from the Petroleum Price Violation Fund to the Miscellaneous Revenue Fund in the amount of \$169,600 in personnel cost and \$43,300 in operating expenditures, for a total of \$212,900.

[Ongoing]

Agency Request	0.00	0	0	0	0
Recommended.					
Governor's Recommendation	0.00	0	0	0	0

2. Correct Biofuel Match Effective Date

Energy Resources

H316 of 2007 transferred \$690,000 from the General Fund to the Rural Idaho Economic Development Biofuel Infrastructure Fund and appropriated \$690,000 from that dedicated fund to match Idaho fuel retailers who choose to invest in qualified fueling infrastructure projects dedicated to providing biofuels to their customers as approved in H150 of 2007. The intent of H316 was to appropriate the moneys for a two-year period beginning July 1, 2007 through June 30, 2009 but a drafting error made the appropriation effective July 1, 2008. That means the Energy Division does not have spending authority from the fund for the current fiscal year. The Department is using their Petroleum Price Violation Fund appropriation until the Legislature can correct this oversight by amending Section 2, Chapter 299, Laws of 2007.

Agency Request	0.00	0	0	0	0
Recommended.					
Governor's Recommendation	0.00	0	0	0	0

FY 2008 Total Appropriation

Agency Request	189.00	15,124,800	7,904,700	3,806,000	26,835,500
Governor's Recommendation	189.00	15,124,800	7,904,700	3,806,000	26,835,500

Non-Cognizable Funds and Transfers

Adjusts 2.2 FTPs between programs to realign revenue with positions. Eliminates .5 FTP from Snake River Basin Adjudication and .5 FTP from Water Management to account for one position that has lapsed in the Employee Information System.

Agency Request	(1.00)	0	0	0	0
Governor's Recommendation	(1.00)	0	0	0	0

FY 2008 Estimated Expenditures

Agency Request	188.00	15,124,800	7,904,700	3,806,000	26,835,500
Governor's Recommendation	188.00	15,124,800	7,904,700	3,806,000	26,835,500

Removal of One-Time Expenditures

Removes \$557,000 provided for Water District Expenses (H317 of 2007), \$690,000 for Biofuel Infrastructure Match (H316), and \$351,700 provided for one-time replacement items.

Agency Request	0.00	(846,800)	(745,900)	(6,000)	(1,598,700)
Governor's Recommendation	0.00	(846,800)	(745,900)	(6,000)	(1,598,700)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Base Adjustments		Energy Resources			
Removes \$1 million in spending authority from the Petroleum Price Violation Fund set up originally to accommodate the energy loan program. Loan disbursements do not hit the appropriation general ledger so no appropriation is necessary.					
Agency Request	0.00	0	(1,000,000)	0	(1,000,000)
Governor's Recommendation	0.00	0	(1,000,000)	0	(1,000,000)
FY 2009 Base					
Agency Request	188.00	14,278,000	6,158,800	3,800,000	24,236,800
Governor's Recommendation	188.00	14,278,000	6,158,800	3,800,000	24,236,800
Benefit Costs					
Includes \$2,075 per position or a 29% increase in employer-paid health insurance premiums (from \$7,125 to \$9,200 per year). Also includes funding to increase the employer retirement contribution rate by .61% of salary (from 10.39% to 11% for regular employees).					
Agency Request	0.00	318,000	66,900	36,500	421,400
<i>The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year. In addition, for this agency the Governor recommends that the Division of Human Resources (DHR) fee be reduced by 35% for classified positions, from 0.615% of gross salary to 0.4%, because it has been granted delegated authority by DHR.</i>					
Governor's Recommendation	0.00	304,900	37,100	22,500	364,500
Inflationary Adjustments					
This customized inflationary adjustment is a 1.1% General Fund increase over the base operating expenditures and 2% for trustee and benefit payments. It is calculated by removing rent and SWCAP from the base and applying inflationary rates ranging from 1.6% to 3.1% to each summary object based on historical spending patterns. In addition to general inflation, it also includes, from the General Fund, \$5,000 for Western States Water Council dues that have not increased in 10 years (from \$25,000 per year to \$30,000 per year) and \$35,700 for contractual rent increases.					
Agency Request	0.00	101,200	81,300	58,800	241,300
<i>Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended. This decision unit is adjusted to account for a reduction of \$51,700 in the Boise and Idaho Falls regional offices.</i>					
Governor's Recommendation	0.00	(15,800)	0	0	(15,800)
Replacement Items					
Replacement items include \$148,000 for four pickups and three SUVs; \$126,600 for 64 computers, a server, and peripherals; \$4,000 for field equipment, and \$9,500 for a phone system.					
Agency Request	0.00	276,100	6,000	6,000	288,100
<i>The Governor adds \$12,000 in additional funding for a statewide fleet management initiative to convert as many vehicles as possible to hybrid or other fuel efficient or low emission vehicles. These additional funds may only be used to implement the Governor's Fossil Fuel/Greenhouse Gases Initiative. Any unspent funds appropriated for this purpose will be reverted at year end, regardless of fund source. An offsetting reduction of \$12,000 is due to the transfer of the Energy Resources program to the Office of the Governor. Those replacement items appear as a line item in the Office of Energy Resources recommendation.</i>					
Governor's Recommendation	0.00	288,100	0	0	288,100
Statewide Cost Allocation					
This decision unit includes adjustments for services provided by state agencies as follow: (\$243,200) for Attorney General fees, (\$600) for State Controller fees, (\$200) for State Treasurer fees, and \$18,400 for property and casualty insurance premiums for a total reduction of \$175,100.					
Agency Request	0.00	(226,500)	900	0	(225,600)
Governor's Recommendation	0.00	(226,500)	(200)	0	(226,700)

Department of Water Resources

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Reflects the calculated cost of a 1% salary increase of \$104,800 for permanent postions and \$9,400 for group positions.					
Agency Request	0.00	79,500	26,200	8,500	114,200
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	395,500	97,000	28,000	520,500
FY 2009 Program Maintenance					
Agency Request	188.00	14,826,300	6,340,100	3,909,800	25,076,200
Governor's Recommendation	188.00	15,024,200	6,292,700	3,850,500	25,167,400
1. Toward Market Salary			All Programs		
The December 1, 2005 Employee Compensation Report by the Division of Human Resources stated that the annual average salary paid by the Department of Water Resources lagged the market average salary by 33.4%. For FY 2007, JFAC appropriated \$49,300 for targeted positions and \$68,700 for additional compensation for positions deemed critical by the Director. The Legislature provided 5% CEC in FY 2008. The director reports that these appropriations have been fully allocated and have helped to narrow the gap between market. This budget request would provide \$500,000 in General Fund support, \$104,100 in dedicated funding, and \$54,600 in federal spending authority to continue moving compensation towards market rates. The department anticipates that beginning with this request, an enhanced level of funding for each of the next four consecutive years will be necessary to bring the average annual salary paid by the department to the market average for comparable positions. Dedicated funding includes \$14,600 from Indirect cost Recovery, \$21,300 from Water Administration, \$47,400 from Miscellaneous Revenue, and \$20,800 from Petroleum Price Violation. [Ongoing]					
Agency Request	0.00	500,000	104,100	54,600	658,700
<i>Not recommended by the Governor. The Governor has provided the agency the opportunity to reallocate existing funding to engineer, information technology, and other professional positions to address salary issues within the agency. The reduction of two FTPs to be determined by the director is located in the Water Management program.</i>					
Governor's Recommendation	(2.00)	0	0	0	0
2. Shift SRBA Positions to Water Mgmt			Planning and Technical Services		
As the Snake River Basin Adjudication (SRBA) continues toward completion, the department requests the transfer of the remaining 14.5 full-time equivalent positions (FTP) and \$2,205,200 from the SRBA program to the Water Management program. [Ongoing]					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a partial transfer of positions and funding from the SRBA program to Water Management.</i>					
Governor's Recommendation	(7.00)	(1,011,900)	0	0	(1,011,900)
3. Comprehensive Aquifer Planning			Planning and Technical Services, Water Management		
This request would provide the first \$20 million of a \$30 million, ten-year, Statewide Comprehensive Aquifer Study and Planning effort by the Idaho Water Resource Board and the Idaho Department of Water Resources. The initial request would be to transfer \$18.4 million from the General Fund to the continuously appropriated Water Resource Board Revolving Development Fund to be used for technical studies, facilitation services, hydrologic monitoring, measurement, and comprehensive plan development. It would also transfer \$1.6 million from the General Fund to the Water Administration Fund for personnel costs and operating expenditures for three limited service positions to support the first six-years. That spending authority of \$197,600 in personnel costs and \$77,300 in operating expenditures is already in the base (H392 of 2006) and is transferred from the Water Management program to the Planning program. About \$750,000 per year would be used for ESPA monitoring and model upgrades. The remainder of the initial funding would be used over six years to complete the following basins in priority order: 1) Lower Boise/Treasurer Valley, 2) Rathdrum Prairie, 3) Big Wood, 4) Moscow-Pullman, 5) Mountain Home, and 6) Bear River. A future \$10 million will be needed to continue ESPA efforts and complete the next four basins: 7) Teton, 8) Big Lost, 9) Portneuf, and 10) Blackfoot. The Natural Resource Interim Committee voted to support this request at the October 23, 2007 meeting. [One-time cash transfer]					
Agency Request	3.00	20,000,000	0	0	20,000,000
Governor's Recommendation	3.00	20,000,000	0	0	20,000,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Regional Office Expansions					Water Management
Additional office space is needed in the Western and Eastern regional offices. 1) A conference room, larger reception area and two additional offices are requested for the Western regional office. The total office space is increased from 4,942 sq.ft. to 6,274 sq.ft. or by 1,332 sq.ft. Annual rent cost is increased by \$23,700. 2) The Eastern regional office was recently reorganized to increase the square footage from 5,328 sq.ft. to 7,442 sq.ft or by 2,114 sq ft. Annual rent cost is increased by \$28,000. [Ongoing]					
Agency Request	0.00	51,700	0	0	51,700
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
5. Transfer Energy to Gov's Office					Energy Resources
On October 19, 2007, Governor Otter issued executive order 2007-15 creating the Office of Energy Resources within the Office of the Governor. The responsibilities for Energy Resources were previously assigned to the Idaho Department of Water Resources under executive order 2001-06. This decision unit moves that budget to the Governor's Office.					
Agency Request	(18.00)	(43,200)	(2,198,600)	(919,100)	(3,160,900)
<i>Governor's Recommendation</i>	<i>(18.00)</i>	<i>(40,300)</i>	<i>(2,077,200)</i>	<i>(872,400)</i>	<i>(2,989,900)</i>
Transfer to Dedicated Funds					
This decision unit is related to line item #3 and provides the language necessary to transfer \$18.4 million from the General Fund to the Revolving Development Fund and \$1.6 million from the General Fund to the Water Administration Fund.					
Agency Request	0.00	(20,000,000)	0	0	(20,000,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(20,000,000)</i>	<i>0</i>	<i>0</i>	<i>(20,000,000)</i>
FY 2009 Total					
Agency Request	173.00	15,334,800	4,245,600	3,045,300	22,625,700
<i>Governor's Recommendation</i>	<i>164.00</i>	<i>13,972,000</i>	<i>4,215,500</i>	<i>2,978,100</i>	<i>21,165,600</i>
Agency Request					
Change from Original App	(16.00)	210,000	(3,609,200)	(760,700)	(4,159,900)
% Change from Original App	(8.5%)	1.4%	(45.9%)	(20.0%)	(15.5%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>(25.00)</i>	<i>(1,152,800)</i>	<i>(3,639,300)</i>	<i>(827,900)</i>	<i>(5,620,000)</i>
<i>% Change from Original App</i>	<i>(13.2%)</i>	<i>(7.6%)</i>	<i>(46.3%)</i>	<i>(21.8%)</i>	<i>(21.0%)</i>